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STATE PASS TO USTR FOR BHARMAN
COMMERCE FOR JANGLIN
TREASURY FOR SGOOCH

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SUBJECT: BUSINESS ASSOCIATIONS, MORALES TRADE CRITICISMS

¶1. (SBU) Summary: In a joint declaration May 31, seven departmental business associations harshly criticized the Morales administration and charged the president with leading Bolivia in the wrong direction. Morales responded in an open letter published in leading newspapers June 3, accusing the business community of adopting the discourse of Podemos, Bolivia's principal opposition party, and of defending an "archaic, anti-national" economic model. These may be the first formal public statements in an increasingly emotional debate over Bolivia's economic future. End summary.

¶2. (U) In a joint declaration May 31, seven departmental business associations harshly criticized the Morales administration and expressed a "high degree of concern" for Bolivia's future, plainly stating their belief that the president was leading the country in the wrong direction. Business leaders recognized the population's desire for change but accused the government of introducing an era of political uncertainty and "ideological confrontation" that would slow efforts to "resolve basic problems like employment." The declaration called attention to the administration's lack of "a coherent economic plan consistent with national and world reality" and noted that observers both within and outside Bolivia believed the country had embarked on "an ideological adventure" contrary to basic principles of economic development.

¶3. (U) Signatories to the declaration not only charged GOB officials with isolating Bolivia and threatening poor families' access to foreign markets - paradoxically hurting the very people officials had promised to help - but also argued that the Morales administration had "damaged the independence of the judiciary, the Constitutional Tribunal, and state entities" and weakened democracy by attacking key institutions. Business leaders indicted the government for concentrating power in a single body, adopting a "quasi-monarchical" posture, and violating constitutional guarantees.

¶4. (U) The administration's actions, business leaders argued, had threatened investment and "sown unease among neighboring and partner countries," undermining foreigners' trust in Bolivia and harming the country's image abroad. Signatories highlighted the negative effects of the hydrocarbons nationalization and declared that attacks on the mining and manufacturing industries would deter investment and limit economic growth. In a parting shot, business leaders declared that Bolivia was moving toward "a despicable dependence on Cuba and Venezuela... such that (Bolivia's) troops had to sing other countries' hymns." They told Morales that Bolivia did not need "foreign tutors whose interests exceeded the limits of international cooperation."

¶5. (U) Morales responded in an open letter published in leading newspapers June 3, accusing the business community of adopting the discourse of Podemos, Bolivia's principal opposition party, and of defending an "archaic, anti-national" economic model rejected by the Bolivian people. Morales reminded business leaders that he won 54 percent of the vote in December's presidential election and noted that more than 80 percent of the population supported his administration. The president charged the business community with "trying to confuse the public" by saying the government had no economic plan, when in fact GOB officials were working on the "reconstruction of a strong and dynamic public sector, the construction of basic infrastructure oriented toward economic, social, and regional development, the industrialization of natural resources, and the empowerment of indigenous economies."

¶6. (U) Morales further attacked business leaders for defending "institutions captured by multinational interests and military officials who turned over strategic weapons to a foreign power." The president labeled those who supported the latter "sell-outs" and suggested that business leaders protected foreign companies that came to "invest" in Bolivia but violated the laws of the state. In response to accusations that Bolivia had become dependent on Cuba and Venezuela, Morales asked when business leaders had "raised their voices against imperial ambassadors who acted like viceroys, undermining sovereignty and trampling on the dignity of Bolivians." He also asked when the business community had objected to "the entry of military officials to massacre and humiliate indigenous and farmers in the name of fighting narco-trafficking, terrorism, and zero coca."

¶7. (U) Morales closed by declaring that "the international community - for the first time in history - looked at Bolivia as a country that deserved respect, that had stopped being a land for no one and had become a land for all." He noted that the past was too fresh for people to "so easily forget the difference between those who defend the nation and those who have sold it with impunity."

¶8. (SBU) Comment: These may be the first formal public statements in an increasingly emotional debate over Bolivia's economic future. In an unprecedented display of unity and coherence, business leaders explicitly criticized Morales and his administration and outlined their opposition to the government's policies. Morales' rebuttal, with its veiled references to the United States, may have been less coherent, but it may open the door to a wide-ranging discussion of the economic policies Bolivia should pursue - assuming attacks on persons and foreign powers do not derail debate before it starts. End comment.

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